##### ***Victoria University of Bangladesh***

##### Final Assessment-Summer Semester 2022

##### Course Title : Marketing management

##### Course Code: MKT 330

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Ans to the question no.1

Brand equity is the added value endowed on products and services. It may be reflected in the way consumers think, feel, and act with respect to the brand, as well as in the prices, market share, and profitability the brand commands for the firm.

If I were an owner of a firm then 6 factors I want to need to consider to setting it’s pricing strategy. They are given below:

**Marketing Objectives:** Before setting a price, the company must decide on its strategy for the product. If the company has selected its target market and positioning carefully, then its marketing mix strategy, including price, will be fairly straightforward. At the same time, the company may pursue additional goals. Survival, current profit maximization, market share leadership, and product quality leadership are all common goals. If a company is troubled by excess capacity, intense competition, or shifting consumer preferences, survival becomes its primary goal. To keep a plant running, a company may set a low price in the hopes of increasing demand.

**Marketing Mix Strategy**: A company's use of price is merely one of the marketing mix instruments it employs to achieve its marketing objectives. To create a consistent and effective marketing campaign, price considerations must be linked with product design, distribution, and promotion decisions. Pricing considerations may be influenced by judgments made about other marketing mix components. The decision to position the product on high-performance quality will mean that the seller must charge a higher price to cover higher cost.

**Costs:** Costs establish the minimum price that the firm can charge. The corporation wishes to charge a price that covers all of its costs for creating, distributing, and selling the product while also providing a reasonable rate of return for its labor and risk. The costs of a corporation may be an essential factor in its pricing strategy. Many businesses, including Southwest Airlines and Wal-Mart, strive to be the "low-cost producers" in their respective sectors. Companies with fewer expenses may charge lower prices, resulting in higher sales and profits.

**Determining demand:** demand is the number of goods that the customers are ready and willing to buy at several prices during a given time frame. Preferences and choices are the basics of demand, and can be described in terms of the cost, benefits, profit, and other variables.

There are many determinants of demand, but the top five determinants of demand are: Product cost, The income of the consumers, Costs of related goods and services, Consumer expectation, Buyers in the market.

**Selecting Pricing Methods:** Pricing Methods are the methods for calculating the price of products and services by taking into account all of the elements impacting the pricing strategy as a whole, such as the product/service, competition, target audience, product life cycle, firm's vision of expansion, and so on.

**Selecting the final price:** The pricing strategy reduces the price range from which the corporation must choose its ultimate price. Additionally, the corporation must consider physiological pricing, gain and risksharing pricing, the influence of other marketing mix-elements on price, corporate pricing policy, and the impact of price on other parties when determining that price.

Ans to the question no.2

The buyer decision-making process is a series of processes that leads to a purchase. It all starts when someone discovers they have a specific need. Before making a purchase, shoppers go through a series of actions that ultimately determine what they buy. The organization buying process stages are described below.

**Problem Recognition:** The process begins when someone in the organization recognizes a problem or need that can be met by acquiring a good or service. Problem detection might emerge from either internal or external inputs. Internal stimuli can include a business need or problem that emerges as a result of internal activities, managerial decisions, or employee behavior. External stimuli can include a salesperson's presentation, an advertisement, data gathered at a trade event, or a new competitive development.

**General needs description:** After recognizing a need, general needs description is the next step. It describes the characteristics and quality of the items. The professional team works to enhance the product's fundamental value, dependability, durability, and other qualities.

**Product Specification:** Technical specifications come next in the process. This is usually the responsibility of the engineering department. Engineers create a range of options with specific instructions for what the company needs. These requirements follow the previously created priority list.

**Supplier search:** In this stage, a buyer wants the best supplier. At present day, Internet technology brings a revolutionary change in finding information. Small suppliers also get facilities having internet.

**Proposal solicitation:** In this stage, the buyer invites qualified suppliers to submit their proposals. Some suppliers provide a product sample to the buyer; refer to their websites or promotional materials. If the product is costly, the suppliers display a presentation of their goods.

**Supplier selection:** The buyer evaluates the supplier's proposals and chooses the best one. In this selection, the members create a list of desirable supplier attributes and their importance. These attributes are product quality, images, reputation, delivery systems, ethical corporate behavior, honesty, and competitive prices. Then the buyer rates all suppliers and chooses the best one.

**Order-Routine Specification:** The buyer now writes the final order with the chosen supplier, listing the technical specifications, the quantity needed, the warranty, and so on.

**Performance Review:** In this final stage, the buyer reviews the supplier’s performance and provides feedback. This may be a very simple or a very complex process, and it may be initiated by either party, or both. The performance review may lead to changes in how the organizations work together to improve efficiency, quality, customer satisfaction, or other aspects of the relationship.

Ans to the question no.3

Market segmentation seeks to identify targeted groups of consumers to tailor products and branding in a way that is attractive to the group. Customer segmentation is a key part of a marketing strategy: when company knows their audience, they can put together a marketing mix that meets the exact needs of every visitor in that targeted segment.

There are four primary types of market segmentation. They are given below:

**Demographic Segmentation:** Demographic segmentation is the most commonly used criteria, since it requires information that can be collected easily and that enable you to quickly target a potential market. These criteria include gender, age, nationality, education, profession, income or family situation. For example, beauty products commonly segment their audience by gender, i.e. Dove shampoo targets women.

**Geographic segmentation:** Geographic segmentation is a subset of demographic segmentation. This approach groups customers by physical location, assuming that people within a given geographical area may have similar needs. This method is more appropriate for larger corporations looking to expand into different branches, offices, or locations.

**Psychographic Segmentation:** Psychographic segmentation focuses on the lifestyle of visitors: their interests, personalities, values, beliefs and opinions. Compared to demographic segmentation, this can be a harder set to identify. Good research is vital and, when done well, psychographic segmentation can allow for incredibly effective marketing that consumers will feel speaks to them on a much more personal level.

Example: A fitness apparel company may target individuals based on their interest in playing or watching a variety of sports.

Example: A clothes store may have extra rain gear in their Pacific Northwest locations compared to their Southwest locations.

**Behavioral Segmentation:** Behavioral segmentation relies heavily on market data, consumer actions, and decision-making patterns of customers. This approach groups consumers based on how they have previously interacted with markets and products.

Ans to the question no.4

1. **Buying situation:** A buying situation relates to the circumstances surrounding a purchase that can be defined by the quality of information and experience that the buyer has concerning the products and vendors available, as well as the effort it will take to make the purchase decision. There are three major types of buying situations, which are new task, modified rebuy and straight rebuy. Three factors make the buying situations be different from the others, customers may face different problems in these situations.
2. Points of parity (POP) are essentially industry standards that make a business legitimate in their field. It’s the qualities that all businesses have in order to be competitive and on par with one another. In other words, points of parity are industry-specific similarities that are shared among many businesses.

On the otherhand, Points of difference, also known as points of differentiation or POD,refers to the factors of products or services that establish differentiation. Differentiation is the way in which the goods or services of a company differ from its competitors. Indicators of the point of difference's success would be increased customer benefit and brand loyalty.

1. **Opinion leader:** An opinion leader is a person who helps to shape public opinion by their prominence, experience, or visibility in public life. An opinion leader can be a person or organization who is an expert or an influencer in a specific subject, so much that companies and organizations will use their opinions to make decisions.

Business leaders like Jeff Bezos, Ratan Tata and Elon Musk are also considered opinion leaders because their decisions affect the stock market and the investment landscape, sometimes globally.

1. Business markets refer to organizations, businesses or entities that acquire products and services for use in the production of other services and products. On the other hand, consumer markets refer to markets whereby businesses or producers sell their products or services directly to the final consumers. Business markets have fewer buyers who often buy in large quantities. On the other hand, consumer markets have many buyers who purchase in small quantities. While business markets invest heavily in capital equipment, consumer markets invest heavily in marketing and promotion activities.